(b) if so, what is its financial outlay and what is time-frame for completion of this upgradation;

(c) whether incurring of this comparatively extra expenditure will be commensurate with the benefits likely to be achieve; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) Yes, Sir,

(b) The Project is propsoed to be undertaken at a total outlay of Rs. 341.214 crore plus permissible provisions of Rs. 4.68 crore on account of change in the scope of software. structured on the Build, Own,Operate and Transfer (BOOT) model for a period of 6 years operation, the project has an implementation cycle of 60 weeks from the date of signing of the contract i.e. from 01.03.2005 and is expected to be operational by May, 2006.

(c) and (d) The MCA21 e-Governance project has been proposed as a service delivery project to be funded by the Government as part of governance initiatives. It has been estimated that once MCA21 becomes fully operational, it will result in savings of approximately 2 crore man-hours. Further, assuming that each visit of individuals to the offices of Registrars of Companies for purpose of filing the documents etc., costs approximately Rs. 1000/- to the company, the savings in costs are likely to be in the range of Rs. 40—50 Crore per annum. In addition, the project has been conceptualised with the focused benfits to all stakeholds including streamlining of in-house administrative and regulatory measures. On implementing the MCA21 e-Governance project, MCA targets to improve corporate goverance through improved scrutiny of company disclosures, better enforcement of corporate laws including penalties for non-filing, improve revenues becase of higher level of compliance, creation of a paper less back office resulting in, among others, savings in consumable expenditure.

Revamping of exit norms for firms

3425. SHRI C. RAMACHANDRAIAH: Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government are considering to recast the exit norms to make it easier for out of business firms and directors who do not want to be associated with firms; and

(b) if so, the complete details of the proposals being considered by Government?

THE MINISTER OF STATE OF THE MINISTRY OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA): (a) and (b) The Ministry is engaged in review of the Companies Act, 1956 with a view to enabling comprehensive revision of the same. For this purpose a committee of Experts headed by Dr JJ Irani has been constituted to advise the Government. The Committee is expected to submit its recommendations by May 2005. An appropriate framework for exit norms for companies and directors would be considered along with other legislative changes that may be necessitated.

Inflation rate

†3426. SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inflation rate had been 8.7 per cent during the month of August in the year 2004-2005;

(b) if so, how much it was more in comparison to the inflation rate in the beginning or at the end of the year 2004-2005; and

(c) the reasons for being the highest in the month of August?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) Fiscal year 2004-05 started with the annual point to point inflation rate at 4.5 per cent in terms of Wholesale Price Index (base: 1993-94) as on 3rd April, 2004. The inflation rate reached a peak level of 8.7 per cent on 28th August, 2004 during the year. After that, there was a downward trend of inflation and the year ended with an inflation rate of 5 per cent as on 26th March, 2005. The highest inflation on 28th August, 2004 was due to very high inflation rate of 9.1 per cent for primary articles, 7.2 per cent for manufactured products and 12.8 per cent for fuel, power, light and lubricants.

Interest rates on educational loans

3427. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) the details of interest rates that are being charged by various institutions for education purpose;

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†Original notice of the question was received in Hindi.